

# Legislative Report to the 46<sup>th</sup> District

## Representative Phyllis Gutiérrez Kenney



April, 2008

**Representative  
Phyllis Gutiérrez Kenney**  
46th Legislative District

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**House Committees:**

Community and Economic  
Development and Trade, Chair

Appropriations

Appropriations Subcommittee  
on Education

Joint Legislative Economic  
Development & Trade Committee

Dear Friends,

It's good to be back in Seattle after 60 days of fast-paced activity in the state capital.

I am proud of what we accomplished in this short session. We adopted a balanced budget that leaves strong reserves, yet still funds important improvements in education, health care, economic development, consumer protection and other priorities.

I am particularly pleased that the 2008 supplemental operating budget adds about \$101 million in additional k-12 investments. Among these were cost-of-living adjustments (COLA) for K-12 employees. We were able to give them a 4.4 percent salary increase for the 2008-09 school year.

We also took good steps to improve education, protect our children against sex offenders, and we worked on comprehensive mortgage reforms to help more families keep their homes.

I don't have enough room in this newsletter to describe all of the 2008 accomplishments, so if there is an issue you are interested in that's not discussed here, just let me know and I will get you the information you need.

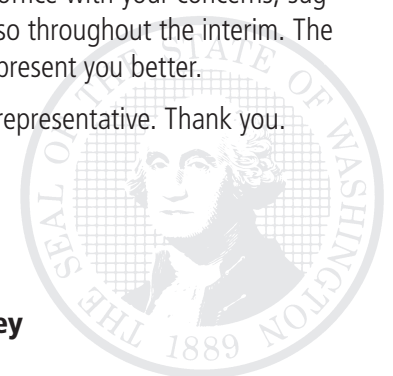
I want to take this opportunity to thank all of you who contacted my office by phone, email and mail or by visiting me in my office with your concerns, suggestions and ideas and please continue to do so throughout the interim. The insights I receive from constituents help me represent you better.

It is an honor and a privilege to serve as your representative. Thank you.

Sincerely,

A stylized, handwritten signature of Phyllis Gutiérrez Kenney in green ink.

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46<sup>th</sup> Legislative District



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## Accomplishments in Transportation

Even though this was a supplemental budget year, we made important adjustments in the \$7.5 billion 2007-09 transportation budget. Highlights include:

### ***Nickel and Transportation Partnership Account projects (projects funded from 2003 and 2005 tax increases)***

Despite a \$1.8 billion shortfall caused by rising costs and reduced state and federal tax revenue, we managed to keep the 400+ projects authorized by the 2003 and 2005 revenue packages on track in the 16 year construction plan.

### ***Mega projects – Alaskan Way Viaduct and 520 Bridge***

The Viaduct replacement project is moving ahead on schedule. Six projects totaling \$915 million at the north and south ends of the corridor are underway.



A basic design agreement has been reached on the 520 bridge replacement project, along with a finance plan. Governor Gregoire recently announced that the bridge will be completed by 2014, that's a full four years earlier than planned, and this sped-up schedule will shave \$100 to \$300 million off the price tag.

## Economic Development

We are national leaders in economic development and innovation. Our state led the nation last year in personal income growth, and ranked as the fifth most business-friendly state in Forbes magazine. This year we worked on legislation to continue building prosperity in every community in Washington.

### ***Green jobs (HB 2815)***

We focused on a new sector of jobs for environmentally friendly energy resources, while at the same time helping to reduce greenhouse gasses. This measure creates a program in 2009 to train and transition workers to clean energy, family wage jobs.



### ***Public works projects (HB 2437)***

We passed low- and no-interest loans for local infrastructure – bridges, roads, water and sewage systems, and solid waste and recycling facilities – a necessity for expanding or starting businesses. This year 52 proposed projects statewide could leverage \$546.3 million in investments from local governments. This year's project list is expected to create \$1.9 billion in state economic activity.

### ***Economic & community development projects (SB 6855)***

We strengthened and streamlined our infrastructure grant and loan programs for economic development, which can leverage private investment and create more family-wage jobs. We also started the Building Communities Fund, to expand social service and multipurpose facilities in low-income communities.

### ***Cosmetology Apprenticeship (HB 2427)***

I sponsored this bill which creates a permanent cosmetology apprenticeship program. It will allow people to "earn while they learn" to be barbers, manicurists and cosmetologists in a supervised setting.

## Comprehensive mortgage reform

When people talk about fulfilling the American dream, becoming a homeowner is a big part of that. But for many Americans this dream has become a nightmare, as working families across the country face the possibility of losing their homes. In 2007, foreclosure activity increased by 75 percent since the previous year, with more than 2.2 million foreclosure filings reported nationally. This session we took steps to protect our citizens from bad deals and unscrupulous lending practices, and give people the information they need to make good financial decisions so they can keep their homes.

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## **Subprime Lending Practices (HB 2770)**

I prime-sponsored this bill, which came out of recommendations from the state Task Force for Homeowner Security. The task force had to evaluate instability in the national subprime mortgage market and ensure that the impact of this national trend is minimized here in Washington. Based on the recommendations, HB 2770 will help provide stability for future lending practices in Washington by:

- Requiring additional disclosure to mortgage borrowers;
- Prohibiting prepayment penalties that extend beyond 60 days prior to the initial reset of an adjustable rate mortgage in subprime residential loans;
- Banning negative amortization for a borrower in subprime residential loans;
- Banning the steering of consumers into higher cost loans; and
- Establishing the framework and penalties for crimes related to mortgage fraud.

## **Mortgage Broker Industry (SB 6381)**

This bill creates new duties for mortgage brokers and establishes that a broker has a fiduciary relationship with the borrower. A mortgage broker must act in the borrower's best interest and in the utmost good faith toward the borrower, shall disclose any and all interests to the borrower and use reasonable care in performing duties.

## **Pre- and Post-Purchase Counseling (SB 6272)**

Responding to one of the top priorities of the Washington Task Force for Homeowner Security, this reform will provide \$1.5 million for counseling and information to help families make good loan decisions and avoid financial disaster from loans they cannot afford.



## **Additional Licensing of Mortgage Businesses (SB 6471)**

Approximately 300 businesses will now be required to be licensed and subject to new state regulations. These businesses were currently exempt from state usury laws and the Mortgage Brokers Practices Act. This new law

will enable all businesses making residential mortgage loans to abide by the same laws and regulations that traditional mortgage brokers do.

## **Avoiding mortgage scams (HB 2791)**

This bill helps prevent scam artists from preying on people who are at risk of losing their homes, attempting to rob them of the equity they have worked hard to build up. The law requires increased notice to homeowners at risk of foreclosure that the "mortgage rescuer" could end up owning their home. It provides a five-day cancellation of the contract with the so-called rescuer and the owner, and increased protections if the rescuer subsequently tries to evict the original owner.

## **Improvements in Education**

This session we passed several bills that specifically address the issue of helping kids graduate, and then continue on to further education. Highlights include:



**Revising Math Standards (SB 6534)** that will align with the skills and knowledge students need in today's complex world.

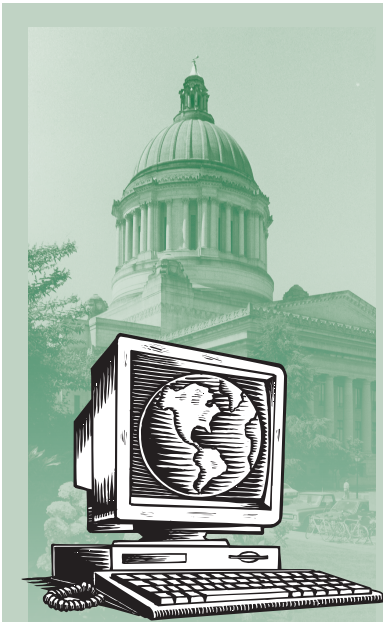
**Improving the WASL (HB 3166)** by shortening the test and creating an end-of-course assessment in Algebra I and Geometry, and Integrated Math I & II.

**Enhancing Career & Technical Education (SB 6377)** in secondary schools and setting the vision for the future of CTE programs by addressing improvements, enhancing funding, and providing incentives.

**Providing child-care grants (HB 2582)** so that parents of young children can attend college.

**\$3 Million for aerospace apprenticeships** to support program and curriculum development, training, and equipment, and 130 enrollments at up to three community and technical colleges to meet the high demand in these areas.

# Representative Phyllis Gutiérrez Kenney



**Be sure to visit my website at**

**www.housedemocrats.wa.gov/members/kenney/**

**where you'll find information on issues that matter to our community.**

## **Making progress in Health Care**

We believe no one should go without health care, and no one should go bankrupt because of it. This session we continued working on reforming the health care system so that you and your family can have a better quality of life. Here are some of the 2008 Health Care highlights:

### ***Oversight of individual health plan premium rates (ESSB 5261)***

This bill gives the Insurance Commissioner authority to review any proposed hikes in individual health insurance rates, and the power to veto unreasonable increases.

### ***Health Insurance Partnership (2SHB 2537)***

In 2007, the legislature authorized the creation of the Health Insurance Partnership [HIP] to make coverage more affordable and accessible for small employers. This year we worked on the successful implementation of HIP and established that the program will begin enrollment of small businesses and their employees in January 2009, with coverage beginning in March 2009.



### ***Small employer health insurance (SHB 2560)***

This bill makes the definition of "small employer" consistent with federal law, and eases access to the small group health insurance market.

### ***Citizen's Working Group on health care reform (ESSB 6333)***

Past reform efforts did not have the benefit of in-depth economic analysis or extensive involvement in the process by citizens, health care professionals and business leaders. Under this new law, an independent body will carry out a comprehensive economic analysis of every major health care reform available. The economic modeling and analysis will be completed this year. Then, a Citizen's Working Group on Health Care Reform will travel the state, talking to citizens and stakeholders to see what changes to make to our health care system.



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